

Published in "Business & Society" 55(2), 2016, 151-187
which should be cited to refer to this work

Under Positive Pressure: How Stakeholder Pressure Affects Corporate Social Responsibility Implementation

**Bernd Helmig¹, Katharina Spraul¹,
and Diana Ingenhoff²**

Abstract

This study tests a model that links stakeholder pressure to the implementation of corporate social responsibility (CSR) activities and market performance. Stakeholder groups and competitors might exert pressure on companies to implement CSR, which could lead to positive effects on market performance. Using structural equation modeling (SEM), the authors find that stakeholders and competitors exert pressure differently. The effect of CSR implementation on market performance is moderated by market dynamism: It affects market performance more in dynamic environments. The authors discuss implications for both companies and stakeholders.

Keywords

corporate social responsibility, firm performance, market dynamism, stakeholder management, structural equation modeling

Corporate social responsibility¹ (CSR) has gone “mainstream” (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009) as a business imperative (Beh,

¹University of Mannheim, Mannheim, Germany

²University of Fribourg, Fribourg, Switzerland

Corresponding author:

Bernd Helmig, University of Mannheim, Department of Business Administration, Public & Nonprofit Management, Mannheim, 68131, Germany.
Email: sekretariat.helmig@uni-mannheim.de

1994; Murray & Vogel, 1997) and research focus. Approximately 90% of Fortune 500 companies have initiated explicit CSR initiatives (Lee, 2008), various ranking systems attempt to identify the best corporate citizens (Corporate Responsibility Officer, 2009), and a vast body of research outlines CSR antecedents and impacts across business-related disciplines (de Bakker, Groenewegen, & Den Hond, 2005). Businesses thus face increasing pressure to act in a socially responsible manner or implement a CSR strategy (Mohr, Webb, & Harris, 2001; Sen & Bhattacharya, 2001), especially from stakeholder groups, including nongovernmental organizations (NGOs).

For example, after the release of “Slaughtering the Amazon” by the environmental NGO Greenpeace, the “sportswear giant Nike Inc. announced . . . that it will stop using leather from cattle raised in Brazil’s Amazon rainforest” (Lehman, 2009, p. 1), followed quickly by “German sports goods maker Adidas [which] obliged its suppliers to stop using leather from Amazonia” (*German Business Digest*, 2009, p. 1). Stakeholders thus have direct influences on CSR implementation, as recent research focusing on environmentally responsible company behavior demonstrates (Darnall, Henriques, & Sadorsky, 2010; Murillo-Luna, Garcés-Ayerbe, & Rivera-Torres, 2008).

On the basis of these observations, the authors pursue two main objectives. First, we investigate whether different stakeholder groups, including media, nonprofit organizations (NPOs), and competitors, can push companies to implement CSR to different extents. Thus, our research differs from investigations of consumer resistance, such as boycotts as exemplars of private politics (Baron, 2001). Second, we introduce market dynamism as a new moderating variable into the relationship between CSR implementation and market performance. So, the authors pursue the call for further research by Kassinis and Vafeas (2006, pp. 156-157) to determine whether “organizations facing greater stakeholder pressures . . . suffer a competitive disadvantage and underperform compared to organizations facing lower pressures?” To achieve these research objectives, the authors undertake a survey among managers of Swiss companies. Data are analyzed by structural equation modeling (SEM) with partial least squares (PLS; Barclay, Higgins, & Thompson, 1995) to gain insight into complex interrelations.

Conceptual Background and Hypotheses Development

Within the broader field of business and society, several frameworks or concepts seem to be “in competition for preeminence” (Schwartz & Carroll, 2008, p. 148), such as CSR, business ethics, stakeholder management,

sustainability, corporate citizenship, corporate social performance, and even corporate governance (de Bakker et al., 2005; Fassin & Van Rossem, 2009).

Although the relationship between CSR and stakeholder theory has been classified as “a natural fit” (Carroll, 1991), both concepts have to be distinguished from one another (Harrison, Bosse, & Phillips, 2010). Stakeholder theory holds that the firm is an open, flexible system or nexus of actors (i.e., stakeholders). Stakeholders are persons or groups that can affect or are affected by the pursuit of the firm’s objectives (Freeman, 1984; see Mitchell, Agle, & Wood, 1997, p. 858, for a chronological overview). These actors are motivated to participate in organizational activities and have various and sometimes incongruent interests (Basu & Palazzo, 2008; Donaldson & Preston, 1995). Therefore, organizational behavior reflects and can be predicted by the nature of its diverse stakeholders, the norms that they adopt to define right or wrong, and their relative influence on organizational decisions. The stakeholder perspective also requires the firm to balance different stakeholder interests in its decisions and actions (Freeman, 2005). In line with the strong empirical support for this premise (Agle, Mitchell, & Sonnenfeld, 1999; Berman, Wicks, Kotha, & Jones, 1999), the authors suggest, similar to Maignan and Ferrell (2004, p. 5), “that CSR designates the duty (motivated by both instrumental and moral arguments) to meet or to exceed stakeholder norms dictating desirable organizational behaviors.” However, we also acknowledge the normative research perspective that states that regarding CSR as only a (social or stakeholder) obligation fails to provide the normative criteria and ethical basis for evaluating CSR activities (e.g., Donaldson & Preston, 1995; Jones, 1995; Swanson, 1995). The current reemergence of stakeholder theory can be interpreted as a result of heightened interest in both ethically based theories and acquisition of competitive resources (Harrison et al., 2010).

Effect of Stakeholder Pressure on CSR Implementation

Some authors perceive the effects of stakeholder pressure on a company’s behavior as “relatively predictable” (Holzer, 2008, p. 62). Yet, few studies have investigated explicitly the effect of stakeholder pressure on CSR implementation. To the best of our knowledge, current research addresses stakeholder pressures only for the case of environmental practices and performance (Cuesta González & Valor Martínez, 2004; Darnall et al., 2010; Kassinis & Vafeas, 2006; Murillo-Luna et al., 2008) or for a special type of CSR implementation, such as corporate giving (Brammer & Millington, 2004). These research attempts focus on partial aspects of CSR; the authors suggest a more holistic view.

With respect to CSR, “talking” and “doing” have to be distinguished (den Hond, de Bakker, & Neergaard, 2007; Egels-Zandén & Sandberg, 2010). Earlier work in the CSR literature was dominantly investigating the “talking” in terms of CSR strategy, and to a lesser extent, the “doing” (Lindgreen, Swaen, & Maon, 2009). To express their focus on actual behavior, recent publications have invented the terms “corporate social action” (Marquis, Glynn, & Davis, 2007, 926) or “corporate social change activities” (den Hond & de Bakker, 2007, p. 901). In this article, the authors stick to the term “CSR implementation” (e.g., Lindgreen et al., 2009) instead, since it is able to express the managerial perspective of how to put a certain CSR strategy into practice.

In line with Fassin (2009) and Kassinis and Vafeas (2006), the authors define stakeholder pressure as the ability and capacity of stakeholders to affect an organization by influencing its organizational decisions. The ability to exercise pressure depends on several antecedents such as country-specific characteristics (Doh & Guay, 2006). Furthermore, it has been revealed that power, legitimacy, and urgency play a prominent role determining the stakeholder salience of companies—measured as the perceived managerial priority and importance and the degree of time and attention (Agle et al., 1999; Mitchell et al., 1997). Without neglecting the relevance of these three attributes as predecessors, our study is focusing on the broader relationship from perceived pressure through different groups—regardless of their legitimacy, power and urgency—on CSR implementation as concrete corporate action.

To conduct an empirical investigation of stakeholder pressure, we must first identify the relevant actors. With respect to stakeholder pressure, prior approaches were focusing on pressure by activist groups (Fassin, 2009) or social movement organizations (Campbell, 2006; Holzer, 2008). The present authors conceptualize stakeholder pressure more broadly since they aim at capturing effects of stakeholder pressure on the implementation of CSR, not on financial performance (see Berman et al., 1999). Given the above-mentioned critical aspects of too broad typologies, the authors adopt the classification into primary and secondary stakeholders established by Clarkson (1995). This largely accepted typology basically relies on the observation that stakeholders can influence organizational behavior “via direct pressure or by conveying information” (Henriques & Sadosky, 1999, p. 89). Primary stakeholders (shareholders and investors, employees, customers, government) are essential for the survival of the company; secondary stakeholders (media, nonprofits) influence public opinion and thus can damage or enhance a company’s reputation (Clarkson, 1995; Eesley & Lenox, 2006; Godfrey, Merrill, & Hansen, 2009; Harrison et al., 2010).

This approach also matches resource dependence theory, which states that “an organization must attend to the demands of those in its environment that provide resources necessary and important for its continued survival” (Frooman, 1999; Pfeffer, 1982, p. 193).

Following Clarkson’s (1995) typology, the authors hypothesize that primary stakeholders influence CSR implementation more than do secondary stakeholders. Drawing from institutional theory (Campbell, 2007), secondary stakeholders could have a direct impact on CSR implementation (e.g., Greenpeace and Amazonian leather suppliers or the example of Shell, see Schepers, 2006), which often depends on the NGO’s own self-perception (Arenas, Lozano, & Albareda, 2009). In this sense, the secondary stakeholder group of NGOs comprises also “stakeseekers,” which are defined as social movement organizations claiming new stakes without organizationally defined links (Holzer, 2008, p. 52). Furthermore, secondary stakeholders exert indirect impacts by influencing primary stakeholders, usually through the provision of information or by setting social agendas, such as through mass media (Campbell, 2007; McCombs & Shaw, 1972).

The authors therefore hypothesize:

Hypothesis 1 (H1): Pressure from primary stakeholders relates positively to CSR implementation.

Hypothesis 2a (H2a): Pressure from secondary stakeholders relates positively to CSR implementation but less so than does pressure from primary stakeholders.

Hypothesis 2b (H2b): Pressure from secondary stakeholders relates positively to pressure from primary stakeholders.

Effects of Competitive Pressure on CSR Implementation

In market economies, competitors vie for resources. This competition results in pressures to innovate, enhance products and services, and expand into new markets. The authors conceptualize competitive CSR implementation pressures by focusing on the impact of competition on CSR implementation through the lens of institutional theory (Campbell, 2007). That is, competitors often constitute the “forgotten stakeholders” (Spence, Coles, & Harris, 2001, p. 331), in both stakeholder theory (Fassin, 2009; Freeman, 1984) and CSR conceptualizations. Against this background, the authors conceptualize competitors as a group of nonstakeholders, who are able to exert CSR implementation pressure.

The potential influence of competitors on CSR implementation is twofold. First, the concept of CSR itself could change from a social or stakeholder obligation to a business obligation, which alters the entire competitive environment. In turn, CSR activities in the firm's competitive environment may produce direct pressures to implement CSR, especially if CSR implementation represents a competitive positioning tactic (Du, Bhattacharya, & Sen, 2007; Maignan, Ferrell, & Hult, 1999). In fact, Christmann (2004, p. 749) states that "industry pressures for environmental responsibility can also result from competitors' actions. Firms aim to enhance their legitimacy by imitating successful competitors." This observation can be explained by institutional theory as the preconscious acceptance of institutionalized practices (Oliver, 1991). Mimetic isomorphism in this regard can even be identified in the early 20th century among nationally organized business associations (Campbell, 2006, 2007; Oliver, 1991).

Hypothesis 3a (H3a): Competitive CSR implementation pressure relates positively to CSR implementation.

Second, companies undertake both competitive and cooperative relationships with their competitors, in which case a competitive obligation may arise. For example, in Europe, industry associations that include many competitors often mandate CSR initiatives (Matten & Moon, 2008). In response to CSR rankings, companies have begun enforcing CSR activities to achieve a better position (Adam & Shavit, 2008; Fassin & Van Rossem, 2009) and thereby attract consumers who prefer to purchase from the most socially responsible firms (Barnett, 2007). Thus, competitors could influence primary stakeholders and cause them to demand CSR implementation efforts.

Hypothesis 3b (H3b): Competitive CSR implementation pressure relates positively to pressure from primary stakeholders.

Moderating Role of Market Dynamism

Several systematic literature reviews and meta-analyses (Griffin & Mahon, 1997; Margolis & Walsh, 2001; Orlitzky, Schmidt, & Rynes, 2003; Roman, Hayibor, & Agle, 1999) reveal the vast variety of empirical findings regarding the relationship between CSR implementation and market performance. This fact prompts us to focus not on financial performance in a narrow sense but rather on introducing a moderator; thus, we follow the call to introduce

more moderating variables into the relationship between CSR and performance (Orlitzky et al., 2003).

The authors expect CSR and market performance to be positively related. By using market performance, we wish to investigate not the impact of CSR implementation on pure financial measures. Instead, market performance is focusing on the ability of a company to increase its market share and to attract and retain new customers. Through the simultaneous coordination and prioritization of multilateral stakeholder interests, managers can increase the efficiency of their organization's adaptation to external demands. Furthermore, CSR implementation leads to reciprocal, bilateral stakeholder–managerial relationships, which provide monitoring and enforcement mechanisms that prevent managers from diverting attention away from broad organizational performance goals. This line of argumentation is also known as the “good management” explanation (Waddock & Graves, 1997). In line with stakeholder theory, the authors hypothesize that CSR implementation affects market performance positively (Donaldson & Preston, 1995; Maignan et al., 1999; Waddock & Graves, 1997). By contrast, slack resource theory proposes a reverse relationship from financial performance to CSR, such that stronger performance creates slack resources that can support CSR (Seifert, Morris, & Bartkus, 2004; Waddock & Graves, 1997).

Environmental contingency theory considers complexity, rate of change, and uncertainty to influence organizations to a large extent (Hatch & Cuncliffe, 2006; Pennings, 1975). Consequently, performance consequences of socially responsible behavior are expected to vary across different environments (Goll & Rasheed, 2004). Recent research proposes market dynamism as a moderating variable into relationships between organizational characteristics or strategies and performance (e.g., Homburg & Pflesser, 2000; Hult, Ketchen, & Arrfelt, 2007; Jaworski & Kohli, 1993; Lichtenthaler, 2009; Slater & Narver, 1994). Based on empirical results on philanthropic giving (Goll & Rasheed, 2004), the authors consider market dynamism as a moderator between CSR implementation and performance.

In general terms, market dynamism can be distinguished into instability and turbulence and refers generally to unpredictable change (Dess & Beard, 1984; Goll & Rasheed, 2004; Lumpkin & Dess, 2001; Rasheed & Prescott, 1992). The moderating effect can be explained as follows: In dynamic markets, companies implement CSR anticipating to create legitimacy among stakeholders (Goll & Rasheed, 2004). In this regard, CSR implementation that is responding to stakeholder pressure could be interpreted as organizational routines acquiring resources, interpretable as “dynamic capabilities” (Garriga & Melé, 2004, p. 54). Since stakeholder management means to

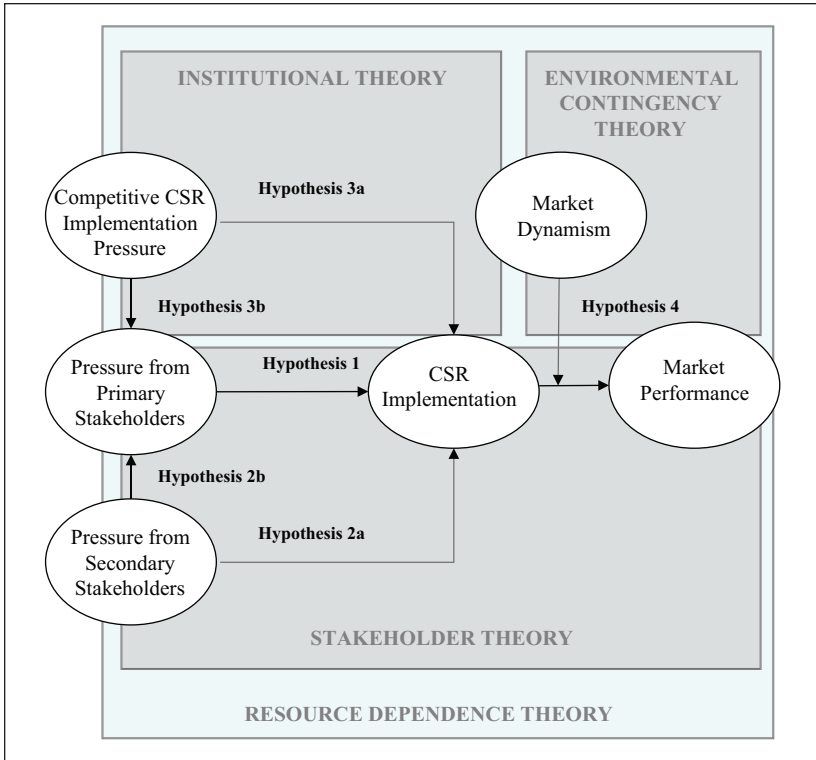


Figure 1. Theoretical model.

adapt to dynamic forces exerted by stakeholders, firms responsive to stakeholder are expected to have the capability to respond also to market dynamism (Harrison et al., 2010) and also to recover quickly from inferior performance (Choi & Wang, 2009). As a result, in a market marked by strong dynamism, a company should be rewarded for its responsiveness, because it can attract and retain more stakeholders. Therefore, the authors expect the relationship between CSR implementation and market performance to be moderated by market dynamism.

Hypothesis 4 (H4): Stronger market dynamism enhances the positive relationship between CSR implementation and market performance.

The theoretical model for our research, in Figure 1, contains six hypotheses that the authors derive most dominantly from three theoretical

backgrounds—stakeholder theory, institutional theory, and environmental contingency theory—all of which do at least partly draw from resource dependence theory.

Methods

Sample and Data Sources

To collect the data, the authors distributed a survey questionnaire to 1,000 top managers of medium-sized and large industrial firms in Switzerland.² As stakeholders “vary more between industries than between firms within an industry” (Godfrey, Hatch, & Hansen, 2010, p. 323), a cross-industry approach is chosen. The companies in the sample represent the structure of the Swiss economy quite well, both in terms of type of industry and in number of employees, turnover, and profitability. We obtained 196 usable responses, for a response rate of 19.6%. The comparison of early and late respondents suggests nonresponse bias is not an issue for our data ($p < .5$; Armstrong & Overton, 1977). The extensiveness of our survey and the high managerial level targeted suggest this response rate is acceptable, compared with rates reported in prior studies of complex organizational phenomena (e.g.; Harzing, 1997).

To obtain data from self-reports is not generally inferior to objective data (Venkatraman & Ramanujam, 1986). Furthermore, objective data for our constructs are not available for European countries (see Kacperczyk, 2009). Information on CSR activities published in popular media also cannot be taken as pure objective data because it may reflect marketing or public relations attempts. Instead, the measures in our survey rely on perceived constructs obtained from informants (Maignan & Ferrell, 2000), who should have a comprehensive view of their organization because of their specialized knowledge or position (Bagozzi & Yi, 1991). Thus, the authors obtain coherent information without any camouflage that might arise from using data provided to special stakeholder groups (e.g., managers could underestimate the costs of communicating CSR to shareholders and overestimate it for nonprofit groups; Ullmann, 1985). However, we also confront potential measurement error in the form of the so-called key informant bias; key informants may report an individual, coherent view of the organization that has been influenced systematically by their experiences, which could result in systematic errors and weakened construct validity (Bagozzi & Yi, 1991). In the current sample, several measures revealed high competency levels for all informants.³

Besides key informant bias, the authors are aware of the potential discrepancy between true and observed relationships between constructs resulting

from common method variance (Doty & Glick, 1998). Among the sources of common method bias, common rater effects could occur if both independent and dependent variables come from the same source, based on social desirability in the sense of strategy-induced response behavior or consistency motifs (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Podsakoff & Organ, 1986). To avoid this bias, the authors established three different procedures both during the scale development phase and during data analysis.

Firstly, we followed standard scale development techniques to limit potential misunderstandings, social desirability, and item ambiguity (Podsakoff et al., 2003). Through extensive validity tests of the new scales with 20 experts, we investigated whether each item was unambiguous, answerable, and related to the indicated construct. We adjusted items as necessary and then conducted a pretest of the questionnaire with 20 additional respondents (17 managers from 12 different industries plus three academics) using think-aloud techniques (Dillman & Redline, 2004). We made small changes in the wording of several items and the instructions.

Second, after gathering the data from the questionnaires, the authors adopted those techniques applicable to our case to test for potential common method bias (Doty & Glick, 1998; Podsakoff et al., 2003; Spector, 2006). Harman's one-factor test did not result in a single factor (Podsakoff et al., 2003). Because some other techniques do not apply to PLS analyses such as ours (Liang, Saraf, Qing, & Yajiong, 2007; Pavlou, Liang, & Xue, 2007), the authors determined whether a method variance marker, namely, CSR strategy, was theoretically unrelated or weakly related to at least one other variable (Lindell & Whitney, 2001; Malhotra, Kim, & Patil, 2006). The marker variable contained items such as, "In our company, the CSR concept is the leading principle of our overall business strategy." That variable had only a weak influence on two items pertaining to the importance of CSR implementation for investors and employees; no other variables were affected by it.

Third, the authors collected financial performance data from the Amadeus database for a subsample of 20 companies. Out of the broad range of potential accounting and market-based measures of financial performance (Berman et al., 1999; Brammer & Millington, 2008; Choi & Wang, 2009; Griffin & Mahon, 1997; Margolis & Walsh, 2001), the authors chose a relative accounting measure, the profit margin. Based on information available in the database, we calculated the average operating profit margin for the years 2004-2006 and compared this result with the information obtained in the questionnaire from key informants to assess for a potential bias. Correlation analysis shows that the margins indicated by the survey participants and the margins obtained from the external source are highly correlated (Spearman's rank correlation coefficient: .71, $p < .02$).

To sum up, given scale development, the nonsignificant effect of a marker variable and the high correlation of questionnaire information with objective, external data substantiate our claim that the data is free of any bias.

Measurement Development and Assessment

For three constructs degree of CSR implementation, market performance, and market dynamism, the authors used multiitem scales from previous research. For stakeholder and competitive CSR implementation pressure, we developed two new scales with items based on conceptual definitions and relevant literature, which combine reflective and formative indicators. Our distinction of the formative and reflective measurement models follows suggestions in prior literature (Jarvis, MacKenzie, & Podsakoff, 2003) to avoid misspecifications (Albers, 2010), which also requires different criteria to evaluate the measures (Chin, 1998).

For reflective constructs, the authors assess individual item reliability by examining the (factor) loading of each indicator on its construct and Cronbach's alpha for internal consistency reliability (Nunnally, 1978), which is included in Table 1 for all constructs. Composite reliability (Chin, 1998) is particularly appropriate for PLS analyses. Average variance extracted (AVE) provides an indicator of convergent validity and should be greater than 50%. For discriminant validity, the correlation of an indicator with its latent variable should be higher than its correlations with all other latent variables (Fornell & Larcker, 1981).

For formative constructs, the weights and significance instead reveal the relative importance of each indicator for the formation of the component. Weights can be interpreted similarly to multiple regression analysis, such that values near 1 or -1 have a strong influence, whereas those near 0 have little influence. Indicators that explain less than 1% of the latent variable's variance, with a weight below 0.1, should be eliminated (Seltin & Keeves, 1994), unless a strong theoretical reason exists to retain them. As a check for multicollinearity, the variance inflation factors (VIF) should be lower than 10 (Chatterjee & Hadi, 2006).

Stakeholder and competitive CSR implementation pressure. Previous studies have not included all relevant stakeholder groups, which represented a shortcoming (e.g., Maignan et al., 1999). Others focus only on primary stakeholders being "most closely associated with the firm's operations or objectives" (Harrison et al., 2010, p. 60). The authors explicitly aim at capturing the effects of both primary and secondary stakeholders. Based on prior literature (Clarkson, 1995; Yau et al., 2007), we operationalized pressure from primary

Table 1. Correlations.

Constructs	1	2	3	4	5	6	7	8	9
1. Government	.70								
2. Media	.16*	.91							
3. Costumers/ investors	.10	.24**	.74						
4. Competitors	.22**	.37**	.31**	.88					
5. Employees	.24**	.34**	.47**	.29**	.87				
6. NGO/activists	.14*	.40**	.22**	.32**	.28**	.72			
7. Market performance	.03	.14	.20**	.05	.22**	-.07	.88		
8. Market dynamism	.08	.16*	.18*	.24**	.07	.11	.03	.80	
9. CSR implementation	.21**	.32**	.36**	.17*	.61**	.15*	.45**	.15*	—

Notes: CSR = corporate social responsibility; Pearson's correlation coefficient; two-tailed tests. Cronbach's alphas on the diagonal.

* $p < .05$. ** $p < .01$.

and secondary stakeholders as second-order constructs. They consist of components measured with reflective items that are themselves formative measures of the second-order constructs (Jarvis et al., 2003). In contrast to recent research, the items do not capture the perceived importance of stakeholder pressures (“How important do you consider each of the following influences on your environmental practices?” Darnall et al., 2010, p. 1080; Murillo-Luna et al., 2008) but the amount of perceived pressure.

Pressure from primary stakeholders comprises customers (two items), investors (two items), government (three items), and employees (three items; Clarkson, 1995). Exploratory factor analysis revealed that customers (sample item, “Our customers are ready to boycott products and services which do not comply with social standards”) and investors (sample item, “Social and/or ecological aspects of investments are important for our investors”) should be conceptualized as one component instead of two (composite reliability = .83, AVE = 54.84%). Factor loadings and reliability measures are high enough also for employees (sample item, “Our employees expect the firm to implement CSR activities”; composite reliability = .92, AVE = 79.88%) and for government (sample item “Governments force initiatives to increase transparency in our business”; composite reliability = .82, AVE = 63.74%).

Pressure from secondary stakeholders consists of (a) media and (b) NPOs and activists that work “on behalf of others who lack the voice or access to promote their interests” (Doh, 2008, p. 275; see also Clarkson, 1995). Forms

of shareholder activism (e.g., den Hond & de Bakker, 2007; Wen, 2009) are not included in this dimension of the construct. Four items were used to measure pressure from media such as, “Our company’s activities are closely monitored by the media” (composite reliability = .94, AVE = 79.96%). For NGO/activists, three items were applied, such as, “We foster partnerships with NGOs relevant to our company.” The factor loadings are high enough to support individual item reliability, with one exception (i.e., “We have to cope with NGOs campaigning against our firm/our products and services”; factor loading = 0.45). The resulting scale with two items shows acceptable reliability (composite reliability = .85, AVE = 74.17%).

In support of discriminant validity, the AVE of each component of pressure from primary stakeholders and secondary stakeholders is greater than the squared correlations between the latent variable and all other latent variables. Thus, our conceptualization of the stakeholder groups appears appropriate.

The scale for competitive CSR implementation pressure consists of four items such as “Our strongest competitors take a leading role in corporate social responsibility” (composite reliability = .92, AVE = 73.72%).

In Appendix Table A1, A2, and A3, the authors provide overviews of the items, means, standard deviations, and quality criteria for primary stakeholders, secondary stakeholders, and competitors, respectively.

CSR implementation. Measuring the degree of CSR implementation in a company is very complex and difficult. The content validity of any measure depends on the definition and application of CSR (Mattingly & Berman, 2006). In our study, the objective is to investigate stakeholders’ pressure on CSR implementation based on managerial perceptions; consequently, the outcome variable should be measured broadly but from a managerial perspective (Schwartz & Carroll, 2008). By not relying on CSR databases, our measurement approach is able to capture not “corporate ‘talk’ behavior” but actual behavior (Egels-Zandén & Sandberg, 2010, p. 39). Therefore, the authors combine the items used for the four-dimensional Corporate Citizenship Scale (Maignan et al., 1999), which builds on Carroll’s CSR pyramid (Carroll, 1979) and the approach to build an index such as those used by various CSR rankings (e.g., Corporate Responsibility Officer, 2009).

The authors adopt most of the items on economic citizenship, legal citizenship, ethical citizenship, and discretionary citizenship (Küskü & Zarkada-Fraser, 2004; Maignan & Ferrell, 2000, 2001) and also introduce additional items. Sample items for the dimensions philanthropic responsibilities (seven items), ethical responsibilities (seven items), legal responsibilities (four

items), economic responsibilities (four items) are: “Our top management ensures a coherent corporate citizenship approach integrated into the corporate strategy.” “Our top management reports in accordance with international reporting standards (e.g., Global Reporting Initiative [GRI]).” “We have programs that encourage the diversity of our workforce (e.g., age, sex, handicapped).” “We have a standardized procedure in place to respond to every customer complaint.” The authors provide the descriptive measures of the items in Appendix Table A4.

As outlined by Franke, Preacher, and Rigdon (2008), a formative specification of CSR implementation is more appropriate for the items developed by Maignan et al. (1999). The analysis of the formative measurement model reveals some multicollinearity; the VIF of the items did not exceed the critical value of 10, and most were greater than 2. This finding is particularly problematic for our study scenario, which features SEM, formative measurements, and a small sample size (Grewal, Cote, & Baumgartner, 2004) and implies negative effects on the stability of the indicator coefficients (Fornell & Bookstein, 1982). We therefore combined our items to an index to avoid multicollinearity problems (Diamantopoulos & Winklhofer, 2001).

Several indexes measuring CSR implementation have already been established, out of which the Kinder, Lydenberg, and Domini (KLD) Social Rating is the most prominent one for U.S. companies (Chatterji, Levine, & Toffel, 2009; Kacperczyk, 2009; Mattingly & Berman, 2006). Since the KLD rating is based on dichotomous variables (Chatterji et al., 2009), the subcategories can easily be aggregated (Hull & Rothenberg, 2008) or weighted and aggregated (Waddock & Graves, 1997) to generate a score for each company.

Following this methodological approach, the authors built a nonweighted index of 22 items. Because a multiplication approach to our Likert-type scale would produce 10% missing values in the index and very high index scores (up to quintillions), we used an additive index, which ignores missing values and subtracts the lowest scale level for all 22 items (i.e., index score = 22). The index contains values from 22 to 132, and the company with the lowest possible index would “strongly disagree” with all items, whereas the company with the highest possible index would “strongly agree.” This approach avoids normative weighting and thus allows companies to react on stakeholder pressures with a broad range of CSR activities (what Hull & Rothenberg, 2008, p. 785, call the “catholic nature” of their index).

Market performance. As Menon, Bharadwaj, and Howell (1996) point out, perceptual measures of performance are not generally inferior to objective performance measures if they include competitive comparisons. They suggest market share, market share gains, net profit, and sales growth rate

as viable measures. Broadening the definition and measurement of performance is perceived as beneficial for understanding the interrelations between strategy, performance, and stakeholder management (Berman et al., 1999). However, to measure market performance, the authors turn to Homburg, Workman, and Jensen's (2002) reflective scale, which integrates comparisons with competitors and customers as a central stakeholder group (see also Yau et al., 2007). The question asked is, "Compared to your competitors, how has your organization, over the last three years, performed with respect to. . ." for example " . . . securing desired market share" as one of seven items (anchors 1 = *very poor*, 7 = *excellent*). Appendix Table A5 lists the items used. The results demonstrate the suitability of the scale: All the item loadings are above 0.75, the AVE (59.04%) is above the threshold, and composite reliability is .91.

Market dynamism. A few studies tried to conceptualize market dynamism as a two-dimensional construct of instability and turbulence using statistical data (e.g., the percentage of scientists and engineers among all employees; Dess & Beard, 1984; Goll & Rasheed, 2004; Rasheed & Prescott, 1992). Given that most of these indicators capture also organizational reactions to market dynamism, the authors rely on those conceptualizations that perceive market dynamism as the rate of change in the composition of customers and their preferences (Jaworski & Kohli, 1993; Kessler & Chakrabarti, 1996). This approach is line with most recent environmental contingency approaches acknowledging the information perspective on uncertainty (Hatch & Cuncliffe, 2006). Consequently, we measure market dynamism with a previously established scale (Homburg & Pflesser, 2000; Jaworski & Kohli, 1993; Maltz & Kohli, 1996). Since the AVE is too low (37.90%), and two items exhibit factor loadings below the required level, we use only three items ("In our kind of business, customers' product preferences change quickly." "Our customers tend to look for new products all the time." "New customers tend to have product-related needs that are different from those of our existing customers.")⁴ The factor loadings of the adapted scale with three items are above 0.71, composite reliability is .86, and AVE 68.39%. The authors list the items along with relevant scale validity and reliability criteria in Appendix Table A6.

Analytical Procedures

To examine the proposed relationships among our latent variables, the authors chose PLS. Although PLS is well established in marketing research, other disciplines remain in the process of adopting it. SEM in general is adequate

for assessing and furthering theoretical models through empirical research (Anderson & Gerbing, 1988) and appears widely in both marketing research (Jarvis et al., 2003) and strategic management research. Specifically, PLS is based on the regression principle of using ordinary least squares (OLS) to explain variance and can test complex models with both formative and reflective items (Anderson & Gerbing, 1988; Fornell & Bookstein, 1982; Wold, 1980). The determinant nature of the PLS approach avoids parameter identification problems that can occur with covariance-based analysis (Bollen, 1989). Furthermore, unlike LISREL or AMOS, PLS is a distribution-free method with fewer constraints that is suitable for relatively small samples. However, PLS lacks an overall test of model fit (Anderson & Gerbing, 1988), so assessments of the measurement model must be separate from assessments of the structural model (Fornell & Cha, 1994).

Results

To estimate the SEM, the authors used SmartPLS 2.0 (beta; Ringle, Wende, & Will, 2005). We relied on several criteria, for both endogenous and exogenous constructs, to assess the quality of the structural model. The path coefficients may range from 0 to 1 and can be interpreted similarly to standardized beta coefficients in a regression analysis. To test for statistical significance, we used a bootstrapping procedure with 500 subsamples ($df = 499$), which is superior to concurrent jackknifing resampling because of its lower standard errors (Efron & Tibshirani, 1993). Bootstrapping delivers t values comparable to the theoretical t value of a two-sided hypothesis test at a certain significance ($t > 1.65$ for $p < .10$).

The pressure from primary stakeholders construct contains one formative indicator with a very low weight and lack of significance; government has low relevance in this case. The authors did not eliminate it though because we aim to develop a comprehensive measurement scale, and this indicator might be of greater importance in another environment. In Table 1, we provide an overview of correlations across constructs, and in Table 2, we list the hypotheses with their respective t values, statistical significance, and effect sizes.

The R^2 values of the two endogenous constructs indicate a moderate level of explained variance, specifically, pressure from primary stakeholders ($R^2 = .34$) and degree of CSR implementation ($R^2 = .38$). The market performance construct is weaker ($R^2 = .23$), perhaps because market performance does not improve directly or dominantly due to CSR implementation but rather is generated by high-quality products, financing, and so on.

Table 2. Path coefficients from partial least squares (PLS) analyses.

Hypothesis	Path	Path coefficient	t value	Statistical significance	Effect size f^2
1 (supported)	Pressure from primary stakeholders → CSR implementation	.58	8.91	<.001	.35 ^a
2a (not supported)	Pressure from secondary stakeholders → CSR implementation	.09	1.25	<i>ns</i>	.01
2b (supported)	Pressure from secondary stakeholders → Pressure from primary stakeholders	.51	8.87	< .001	.31 ^b
3a (not supported)	Competitive CSR implementation pressure → CSR implementation	−.06	0.96	<i>ns</i>	.01
3b (supported)	Competitive CSR implementation pressure → Pressure from primary stakeholders	.15	2.10	<.05	.02 ^c
4 (supported)	CSR implementation × Market dynamism → Market performance	.16	2.12	<.05	.03 ^c
	Market dynamism → Market performance	.02	0.13	<i>ns</i>	

Note: R^2 , pressure from primary stakeholders = .34; R^2 , corporate social responsibility (CSR) implementation = .38; R^2 , market performance = .23.

^aLarge effect size.

^bMedium effect size.

^cSmall effect size.

A Stone–Geisser test using a nonparametric test criterion (Q^2) and a blind-folding procedure can assess the predictive relevance of the construct for values above 0 (Fornell & Bookstein, 1982; Fornell & Cha, 1994; Henseler, Ringle, & Sinkovics, 2009). In our case, all endogenous constructs attain predictive relevance (pressure from primary stakeholders, $Q^2 = 0.15$; CSR implementation, $Q^2 = 0.32$; market performance, $Q^2 = 0.11$).

The empirical results support H1, which predicts that pressure from primary stakeholders increases CSR implementation. The path coefficient between the constructs ($\beta = .58$) is significant at the .001 level. Thus, stakeholder pressure from employees, customers, investors, and government encourages companies to implement CSR activities.

With regard to H2, pertaining to pressure from secondary stakeholders, we must reject H2a because the path coefficient from pressure from secondary stakeholders to CSR implementation ($\beta = .09$) is very weak and insignificant. In contrast, the indirect effect of pressure from secondary stakeholders on pressure from primary stakeholders is supported ($\beta = .51$) at the .001 level, in support of H2b. Similarly, competitive CSR implementation pressures have an effect on pressure from primary stakeholders ($\beta = .15$) on the .05 level, in support of H3b. However, the direct relationship from competitive CSR implementation pressure ($\beta = -.06$) is not significant, which contradicts H3a.

Finally, in H4, we predict that stronger market dynamism enhances the relationship between CSR implementation and market performance. To test this moderating effect, we first note that the path coefficient ($\beta = .02$) of the direct relationship between market dynamism and market performance is not significant. The moderating effect can be confirmed ($\beta = .16$) at the .05 level. We find that CSR implementation is more important in environments with dynamism, in support of H4. In addition, CSR implementation relates positively to market performance with a path coefficient ($\beta = .42$) that is significant at the .001 level.

An effect size suitable for multiple regressions must be available to assess the impact of an exogenous latent variable on an endogenous latent variable (Fern & Monroe, 1996). The effect size can be classified into three levels: weak ($f^2 = .02$), moderate ($f^2 = .15$), and substantial ($f^2 = .35$; Chin, 1998). Pressure from primary stakeholders has a large effect on CSR implementation ($f^2 = .35$), whereas pressure from secondary stakeholders has a medium-sized effect on pressure from primary stakeholders ($f^2 = .31$), as does CSR implementation on market performance ($f^2 = .20$).

Given these results, companies might request managerial implications in such a way that the responsiveness to high pressure via high CSR implementation leads to higher market performance. Thus, a final step in the analysis considers a descriptive overview on overall pressure, CSR implementation and market performance (inspired by Brammer & Millington, 2008). The authors built two additive indexes, one for overall pressure (consisting of all 24 items stemming from the three pressure-related constructs) and one for market performance (based on its seven items). For both, we ignore missing values. Index values are split up into above average (high) and below average (low), resulting in a 2 x 2 matrix depicted in Table 3.

Descriptive results show that two combinations lead to a market performance that is above average ($M = 31.88$): high overall pressure and high CSR implementation as well as low pressure and high CSR implementation. At the same time, companies with low CSR implementation perform less well if they perceive high or low overall pressure.

Table 3. Market performance depending on degrees of overall pressure and corporate social responsibility (CSR) implementation.

	Overall pressure	
	High	Low
CSR implementation		
High	33.84 (n = 64)	33.08 (n = 40)
Low	29.81 (n = 21)	29.89 (n = 65)

Note: n = 190 (firms that have not answered the questions on market performance have been excluded from this analysis).

Discussion

Contribution and Implications

As a theoretical contribution, this study hypothesizes the effects of stakeholder pressure and competitive pressure on CSR implementation. The study contributes by finding tentative support of the proposed causal chain in which environmental factors lead to stronger CSR implementation, which—moderated by market dynamism—leads to better market performance. The empirical findings also suggest some key conclusions. In particular, we confirm that stakeholders influence CSR implementation. Thus, we support the perspective that regards CSR as a stakeholder obligation. As revealed by prior studies among opinion leaders, CSR and the stakeholder concept appear to “reinforce each other” (Fassin & Van Rossem, 2009, p. 583) in a complementary way (Hillman & Keim, 2001, p. 135).

More specifically, our study reveals that pressure from primary stakeholders exerts a strong impact on CSR implementation. The stakeholders with the strongest influence on the pressure exerted by primary stakeholders are employees. Firm activities are always carefully observed by their employees. Therefore, acting in a socially responsible manner could be a source of competitive advantage with regard to the role of employees in the firm (e.g., positive word of mouth, employee loyalty, and retention). Employees were key topics in European CSR discussions in the 1970s; they should be subject to stakeholder research again.

The primary stakeholders with the second largest impact on perceived pressure are customers and investors, who should be considered as one group in our data set. This result shows the strong linkage markets are establishing between customers and investors, which might even result in multiple roles

individuals may exert (Sen, Bhattacharya, & Korschun, 2006). Both should be involved into strategic prioritization of CSR activities.

Although the European perception of CSR is strongly influenced by the normative research stream, with the state as a strong regulator, our results confirm the notion that strong government regulations might not be necessary (Friedman, 1962). The assumption of the strong role of government (Campbell, 2007) does not hold true in our study; government has the weakest weight in the pressure from primary stakeholders construct.

Our finding that secondary stakeholders influence primary stakeholders but do not directly have an impact on CSR implementation offers theoretical implications as well as practical insights. First, this finding goes in line with the proposition based on resource dependence theory that stakeholders in relationships with low interdependence will choose an indirectly influencing strategy (Froome, 1999). At the same time, the proposition based on institutional theory that CSR implementation will be directly influenced by NGOs and social movement organizations does not hold true (Campbell, 2007). Instead, companies must be aware of the (indirectly) influential power of media and NGOs (Doh & Teegen, 2002). If consumers did not consider sustainability important, Greenpeace's Amazonian leather report would likely not have caused the shoe companies to alter their CSR implementation. To be aware of this relationship might help managers to decide on how to deal with convergent claims of NGOs. For instance, stakeholder dialogue should only be stressed with those NGOs that are most relevant for primary stakeholders. For NGOs in turn, these findings also provide a sound argument for corporate fundraising efforts or joint ventures (Harrison & John, 1996). For instance, to turn from stakeseekers to stakeholders, they should consider a company's employees, investors, and customers as gatekeepers to legitimacy.

With respect to media, the notion of "influencers" rather than stakeholders is supported as well (Donaldson & Preston, 1995, p. 86). The agenda setting function for CSR-related issues will only work if primary stakeholders can be motivated to exert pressure.

The same holds true for competitive pressure on CSR implementation. Only those CSR activities undertaken by competitors will have a "peer pressure" (Campbell, 2006, p. 935) effect on a company's CSR implementation, which are considered as necessary by primary stakeholders.

In the second part of the model, we also find that the level of CSR implementation affects market performance positively rather than harming business results. This competitive advantage can be explained by certain intangible resources ("technology, human resources, reputation, and culture developing"; Surroca, Tribó, & Waddock, 2010, p. 467) firms fostering close relationships

with primary stakeholders are able to develop. Market dynamism moderates this impact, which implies that companies in turbulent environments should place even more emphasis on CSR implementation to guarantee or enhance their performance. This recommendation may hold especially true in economic crises, when churn among employees and customers is high and NGOs and media highlight irresponsible business behaviors.

The results reject the idea that CSR is inconsistent with shareholder wealth maximization. Thus, our analysis considers organizational effectiveness a broad concept that encompasses both financial and social performance (Judge, 1994). For managers, our results suggest they should not try to avoid or react to stakeholder pressure but rather should behave proactively to implement CSR (Murray & Vogel, 1997) to meet stakeholders' expectations and achieve better market performance (McWilliams & Siegel, 2001).

Finally, the authors note the shift from implicit to explicit CSR in Europe (Doh & Guay, 2006; Matten & Moon, 2008); 38.9% of the companies in our sample stated, "In our company, we use CSR in order to attempt to create a sustainable company which shall be an ongoing concern over the long run," whereas only 13% perceive CSR "as a duty to society and a social obligation; therefore CSR expenditures are seen simply as costs." With respect to the degree of CSR implementation, most sample companies exhibit an above-average level. We divided the sample in quartiles, according to index values (from 20 to 132), such that 47 fall between 105 and 132, 92 are between 77 and 104, 47 score between 49 and 76, and 10 earn scores of 20 and 48.

Limitations and Further Research

This study attempts to illuminate the research gap pertaining to the influence of stakeholder pressure on CSR implementation and market performance. Several questions remain unanswered.

This study is limited by its retrospective nature (Barnett & Salomon, 2006) and possibly by an endogeneity bias in the form of a reverse causal relationship, which could be overcome by conducting a natural experiment (Kacperczyk, 2009). However, for our main research contribution, a survey of key informants is acceptable. The generalizability and external validity of our results might be limited by our small sample and focus on Europe. However, in addition to providing theoretical implications for stakeholder theory, we consider country studies important for global economies.

Further research could enlarge the range of stakeholders involved to unions, consumer organizations, the general public, and so on, and could also add power, legitimacy, and urgency as stakeholder attributes to the relationship

between stakeholder pressure and CSR implementation (Agle et al., 1999; Mitchell et al., 1997). In addition, objective measures of CSR implementation could be employed using surveys of consumers, employees, and public stakeholders or the amount of philanthropic donations (Maignan et al., 1999). The authors also recommend improvements to the scale of the moderating construct of market dynamism, which could be operationalized as stakeholder market dynamism with a focus on turbulence among donors, NGOs, media, and so on, relying on quantifiable indicators (comparable to Dess & Beard, 1984). Finally, the positive link between CSR implementation and market performance reflect social norms (Gond & Palazzo, 2008), so further research should investigate ethical codes and their influence on CSR implementation.

Appendix

Table A1. Descriptive statistics and quality criteria (primary stakeholders).

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
Pressure from primary stakeholders			.87	.92	79.88
Employees					
Our employees voluntarily engage in corporate social responsibility activities of the firm.	4.20 (1.62)	0.90			
Our employees expect the firm to implement CSR activities.	4.28 (1.55)	0.92			
Our employees monitor whether the promises concerning CSR are fulfilled.	3.80 (1.55)	0.86			
Customers/investors			.74	.83	54.84
Investors expand into the market of corporate social investments.	3.42 (1.49)	0.73			
Social and/or ecological aspects of investments are important for our investors.	4.08 (1.60)	0.74			
Our customers' purchasing habits are changing to support responsible corporations (e.g., fair trade coffee).	3.69 (1.55)	0.83			
Our customers are ready to boycott products and services which do not comply with social standards.	3.20 (1.35)	0.70			

(continued)

Table A1 (continued)

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
Government/regulators			.70	.84	63.74
Governments force initiatives to increase transparency in our business.	4.15 (1.74)	0.80			
Governments pass laws to increase transparency in our sector.	4.29 (1.65)	0.80			
Governments try to initiate CSR activities of companies.	3.20 (1.35)	0.74			

Table A2. Descriptive statistics and quality criteria (secondary stakeholders).

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
Pressure from secondary stakeholders					
Media			.91	.94	79.96
Our company often appears in the media headlines.	3.42 (1.99)	0.90			
We are strongly represented in the media.	3.48 (1.95)	0.93			
Our company's activities are closely monitored by the media.	3.33 (1.94)	0.92			
Various media portray our management board's activities.	2.88 (1.72)	0.83			
NGOs/activists			.72	.85	74.17
NGOs tend to be more willing to negotiate with our firm.	3.23 (1.61)	0.74 (before elimination: 0.68)			
We have to cope with NGOs campaigning against our firm/our products and services.	2.08 (1.55)	0.45 ^{ab}			
We foster partnerships with NGOs relevant for our company.	3.27 (1.79)	0.77			

^aFactor loading less than the required level of 0.7. ^bItem eliminated from further analysis.

Table A3. Descriptive statistics and quality criteria (competitors).

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
Competitive corporate social responsibility (CSR) implementation pressure			.88	.92	73.72
Our strongest competitors take a leading role in CSR.	2.57 (1.40)	0.88			
Our strongest competitors are known for their transparent communication policies.	2.78 (1.32)	0.80			
Our strongest competitors communicate openly about their corporate social responsibility activities.	2.82 (1.34)	0.89			
Our strongest competitors invest regularly in social funds and projects.	2.76 (1.33)	0.86			

Table A4. Descriptive statistics (corporate social responsibility [CSR] implementation).

Construct/items	M (SD)
Philanthropic responsibilities	
Our top management ensures a coherent corporate citizenship approach integrated into the corporate strategy.	4.84 (1.50)
The top management strongly encourages our employees to actively participate in CSR initiatives.	4.13 (1.60)
We encourage partnerships with local businesses and schools.	4.57 (1.67)
Our company gives adequate contributions to charities.	4.57 (1.75)
A program is in place to reduce the amount of energy and materials wasted in our company.	5.21 (1.72)
Our company supports employees who acquire additional education.	5.92 (1.19)
Flexible company policies enable our employees to reconcile work and private life.	5.22 (1.36)

(continued)

Table A4 (continued)

Construct/items	M (SD)
Ethical responsibilities	
Our top management reports in accordance with international reporting standards (e.g., Global Reporting Initiative [GRI]).	4.18 (2.18)
The management fosters industry collaboration to meet social concerns.	4.14 (1.63)
The management fosters stakeholder dialogues on CSR.	3.91 (1.73)
Our company has a comprehensive code of conduct.	5.30 (1.68)
A confidential procedure is in place for our employees to report any misconduct at work.	4.51 (2.07)
Fairness toward coworkers and business partners is an integral part of the employee evaluation process.	5.57 (1.40)
We monitor potential negative impacts of our activities on the community.	4.95 (1.57)
Legal responsibilities	
We have programs that encourage diversity in our workforce (e.g., age, sex, handicapped).	4.14 (1.82)
Internal policies prevent discrimination in our employees' compensation and promotion.	5.42 (1.57)
We defined internal standards/policies for situations and contexts not regulated explicitly by current law (e.g., bribery).	5.13 (1.81)
We provide goods and services that go far beyond minimal legal requirements (e.g., product security).	5.40 (1.47)
Economic responsibilities	
We continually strive to improve the quality of our products.	6.21 (1.04)
We strive to lower our operating costs.	5.81 (1.28)
We have a standardized procedure in place to respond to every customer complaint.	5.79 (1.36)
We closely monitor employee productivity.	5.32 (1.26)

Table A5. Descriptive statistics and quality criteria (market performance).

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
Market performance			.88	.91	59.04
Compared to your competitors, how has your organization, over the last 3 years, performed with respect to . . . ?					
. . . achieving customer satisfaction.	5.65 (0.94)	0.76			

(continued)

Table A5 (continued)

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
. . . providing value for customers.	5.79 (0.91)	0.77			
. . . attaining desired growth.	5.41 (1.38)	0.75			
. . . securing desired market share.	5.19 (1.40)	0.81			
. . . successfully introducing new products.	5.31 (1.35)	0.75			
. . . keeping current customers.	5.90 (1.09)	0.77			
. . . attracting new customers.	5.32 (1.34)	0.75			

Table A6. Descriptive statistics and quality criteria (market dynamism).

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
Market dynamism			.80 (before elimination: .86)	.86 (before elimination: .72)	68.39 (before elimination: 37.90)
Please indicate the extent to which you agree with the following statements:					
In our kind of business, customers' product preferences change quickly.	3.59 (1.74)	0.78 (before elimination: 0.69 ^a)			
Our customers tend to look for new products all the time.	4.13 (1.77)	0.97 (before elimination: 0.91)			

(continued)

Table A6 (continued)

Construct/items	M (SD)	Factor loading	Cronbach's alpha	Composite reliability	Average variance extracted, %
New customers tend to have product-related needs that are different from those of our existing customers.	3.70 (1.68)	0.71 (before elimination: 0.63 ^a)			
We frequently face changes in products offered by our competitors.	3.58 (1.61)	0.32 ^{a,b}			
We frequently face changes in sales strategies of our competitors.	3.60 (1.45)	0.30 ^{a,b}			

^aFactor loading less than the required level of 0.7.

^bItem eliminated from further analysis.

Acknowledgment

The authors gratefully appreciate the very supportive comments and suggestions by Sönke Albers, Alexander Haas, Torsten Hennig-Thurau, Alfred Kieser, Heidi Winklhofer, and Michael Woywode on a prior version of this article. We thank Patricia Lauper, Alexander Pinz, and Lisa Dilger for their very helpful research assistance. We would like to thank James E. Mattingly and two anonymous reviewers.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

Notes

1. This concept takes multiple names; the authors use the core term CSR herein, because it remains the most common in theory and practice (Edward & Willmott, 2008; Palazzo & Scherer, 2008).

2. The distribution of industry types in the sample is generally representative of Western European countries: manufacturing 30.2%, finance and insurance 22.2%, wholesale trade 10.1%, transportation and warehousing 9.5%, retail trade 5.8%, utilities 5.3%, and construction 4.2%.
3. The respondents (88.3% men, 7.7% women, 4.1% no response) were mostly chief executives or operating officers, managing directors, heads of strategic business units, or marketing managers. The authors assessed their position in the company, duration in that position, and tenure with the company to measure their key informant competency (Kumar, Stern, & Anderson, 1993; Lichtenthaler, 2009).
4. Other than Jaworski and Kohli (1993) who reported a Cronbach's alpha of .68, no prior studies provide information about the construct reliability of this scale (Homburg & Pflesser, 2000; Maltz & Kohli, 1996). The present authors recognize item elimination as part of a scale development process.

References

- Adam, A. M., & Shavit, T. (2008). How can a ratings-based method for assessing corporate social responsibility (CSR) provide an incentive to firms excluded from socially responsible investment indices to invest in CSR? *Journal of Business Ethics*, 82, 899-905.
- Agle, B. R., Mitchell, R. K., & Sonnenfeld, J. A. (1999). Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEOs values. *Academy of Management Journal*, 42, 507-525.
- Albers, S. (2010). PLS and success factor studies in marketing. In V. E. Vinzi, W. W. Chin, J. Henseler, & H. Wang (Eds.), *Handbook of partial least squares: Concepts, methods, and applications in marketing and related areas* (pp. 409-426). New York, NY: Springer.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103, 411-423.
- Arenas, D., Lozano, J. M., & Albareda, L. (2009). The role of NGOs in CSR: Mutual perceptions among stakeholders. *Journal of Business Ethics*, 88, 175-197.
- Armstrong, J. S., & Overton, T. S. (1977). Estimating nonresponse bias in mail surveys. *Journal of Marketing Research*, 14, 396-402.
- Bagozzi, R. P., & Yi, Y. (1991). Assessing construct validity in organizational research. *Administrative Science Quarterly*, 36, 421-458.
- Barclay, D., Higgins, C., & Thompson, R. (1995). The partial least squares (PLS) approach to causal modeling: Personal computer adoption and use as an illustration. *Technology Studies*, 2, 285-324.
- Barnett, M. L. (2007). Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *Academy of Management Review*, 32, 794-816.
- Barnett, M. L., & Salomon, R. M. (2006). Beyond dichotomy: The curvilinear relationship between social responsibility and financial performance. *Strategic Management Journal*, 27, 1101-1122.

- Baron, D. P. (2001). Private politics, corporate social responsibility, and integrated strategy. *Journal of Economics & Management Strategy*, 10, 7-45.
- Basu, K., & Palazzo, G. (2008). Corporate social responsibility: A process model of sensemaking. *Academy of Management Review*, 33, 122-136.
- Beh, H. (1994). Going green is not optional. *Asian Business*, 30(9), 70.
- Berman, S., Wicks, A., Kotha, S., & Jones, T. M. (1999). Does stakeholder orientation matter? The relationship between stakeholder management models and firm financial performance. *Academy of Management Journal*, 42, 488-506.
- Bollen, K. A. (1989). *Structural equations with latent variables*. New York, NY: John Wiley.
- Brammer, S., & Millington, A. (2004). Stakeholder pressure, organizational size, and the allocation of departmental responsibility for the management of corporate charitable giving. *Business & Society*, 43, 268-295.
- Brammer, S., & Millington, A. (2008). Does it pay to be different? An analysis of the relationship between corporate social and financial performance. *Strategic Management Journal*, 29, 1325-1343.
- Campbell, J. L. (2006). Institutional analysis and the paradox of corporate social responsibility. *American Behavioral Scientist*, 49, 925-938.
- Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32, 946-967.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4, 497-505.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34, 39-48.
- Chatterjee, S., & Hadi, A. S. (2006). *Regression analysis by example* (4th ed.). Hoboken, NJ: Wiley-Interscience.
- Chatterji, A. K., Levine, D. I., & Toffel, M. W. (2009). How well do social ratings actually measure corporate social responsibility? *Journal of Economics & Management Strategy*, 18, 125-169.
- Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In G. A. Marcoulides (Ed.), *Modern methods for business research* (pp. 295-358). Mahwah, NJ: Lawrence Erlbaum.
- Choi, J., & Wang, H. (2009). Stakeholder relations and the persistence of corporate financial performance. *Strategic Management Journal*, 30, 895-907.
- Christmann, P. (2004). Multinational companies and the natural environment: Determinants of global environmental policy standardization. *Academy of Management Journal*, 47, 747-760.
- Clarkson, M. B. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20, 92-117.
- Corporate Responsibility Officer. (2009). *The 10th annual CRO 100 best corporate citizens list*. Retrieved from <http://www.thecro.com/100best09>
- Cuesta González, M. d. I., & Valor Martínez, C. (2004). Fostering corporate social responsibility through public initiative: From the EU to the Spanish case. *Journal of Business Ethics*, 55, 275-293.

- Darnall, N., Henriques, I., & Sadowsky, P. (2010). Adopting proactive environmental practices: The influence of stakeholders and firm size. *Journal of Management Studies*, 47, 1072-1093.
- de Bakker, F. G. A., Groenewegen, P., & den Hond, F. (2005). A bibliometric analysis of 30 years of research and theory on corporate social responsibility and corporate social performance. *Business & Society*, 44, 283-317.
- den Hond, F., & de Bakker, F. G. A. (2007). Ideologically motivated activism: How activist groups influence corporate social change activities. *Academy of Management Review*, 32, 901-924.
- den Hond, F., de Bakker, F. G. A., & Neergaard, P. (2007). Introduction to managing corporate social responsibility in action: Talking, doing and measuring. In F. d. Hond, F. G. A. de Bakker, & P. Neergaard (Eds.), *Managing corporate social responsibility in action: Talking, doing and measuring* (pp. 1-14). Aldershot, UK: Ashgate.
- Dess, G. G., & Beard, D. W. (1984). Dimensions of organizational task environments. *Administrative Science Quarterly*, 29, 52-73.
- Diamantopoulos, A., & Winklhofer, H. M. (2001). Index construction with formative indicators: An alternative to scale development. *Journal of Marketing Research*, 38, 269-277.
- Dillman, D. A., & Redline, C. D. (2004). Testing paper self-administered questionnaires: Cognitive interview and field test comparisons. In S. Presser, J. M. Rothgeb, & M. P. Couper (Eds.), *Methods for testing and evaluating survey questionnaires* (pp. 299-317). New York, NY: John Wiley.
- Doh, J. P. (2008). Between confrontation and cooperation: Corporate citizenship and NGOs. In A. G. Scherer & G. Palazzo (Eds.), *Handbook of research on global corporate citizenship* (pp. 273-292). Cheltenham, UK: Edward Elgar.
- Doh, J. P., & Guay, T. R. (2006). Corporate social responsibility, public policy, and NGO activism in Europe and the United States: An institutional-stakeholder perspective. *Journal of Management Studies*, 43, 47-73.
- Doh, J. P., & Teegen, H. (2002). Nongovernmental organizations as institutional actors in international business: Theory and implications. *International Business Review*, 11, 665-684.
- Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20, 65-91.
- Doty, D. H., & Glick, W. H. (1998). Common method bias. *Organizational Research Methods*, 1, 374-406.
- Du, S., Bhattacharya, C. B., & Sen, S. (2007). Reaping relational rewards from corporate social responsibility: The role of competitive positioning. *International Journal of Research in Marketing*, 24, 224-241.
- Edward, P., & Willmott, H. (2008). Corporate citizenship: Rise or demise of a myth? (Dialogue). *Academy of Management Review*, 33, 771-775.
- Eesley, C., & Lenox, M. J. (2006). Firm responses to secondary stakeholder action. *Strategic Management Journal*, 27, 765-781.

- Efron, B., & Tibshirani, R. J. (1993). *An introduction into the bootstrap*. New York, NY: Chapman & Hall.
- Egels-Zandén, N., & Sandberg, J. (2010). Distinctions in descriptive and instrumental stakeholder theory: A challenge for empirical research. *Business Ethics: A European Review*, 19, 35-49.
- Fassin, Y. (2009). The stakeholder model refined. *Journal of Business Ethics*, 84, 113-135.
- Fassin, Y., & Van Rossem, A. (2009). Corporate governance in the debate on CSR and ethics: Sensemaking of social issues in management by authorities and CEOs. *Corporate Governance: An International Review*, 17, 573-593.
- Fern, E. F., & Monroe, K. B. (1996). Effect-size estimates: Issues and problems in interpretation. *Journal of Consumer Research*, 23, 89-105.
- Fornell, C., & Bookstein, F. L. (1982). Two structural equation models: LISREL and PLS applied to consumer exit-voice theory. *Journal of Marketing Research*, 19, 440-452.
- Fornell, C., & Cha, J. (1994). Partial least squares. In R. P. Bagozzi (Eds.), *Advanced methods of marketing research* (pp. 52-78). Cambridge, MA: Blackwell.
- Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 18, 382-388.
- Franke, G. R., Preacher, K. J., & Rigdon, E. E. (2008). Proportional structural effects of formative indicators. *Journal of Business Research*, 61, 1229-1237.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Marshfield, MA: Pitman.
- Freeman, R. E. (2005). The development of stakeholder theory: An idiosyncratic approach. In K. G. Smith & M. A. Hitt (Eds.), *Great minds in management* (pp. 417-435). New York, NY: Oxford University Press.
- Friedman, M. (1962). *Capitalism and freedom*. Chicago, IL: University of Chicago Press.
- Frooman, J. (1999). Stakeholder influence strategies. *Academy of Management Review*, 24, 191-205.
- Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics*, 53, 51-71.
- German Business Digest*. (2009, July 28). German Adidas binds suppliers to give up leather from Amazonia.
- Godfrey, P. C., Hatch, N. W., & Hansen, J. M. (2010). Toward a general theory of CSRs. *Business & Society*, 49, 316-344.
- Godfrey, P. C., Merrill, C. B., & Hansen, J. M. (2009). The relationship between corporate social responsibility and shareholder value: An empirical test of the risk management hypothesis. *Strategic Management Journal*, 30, 425-445.
- Goll, I., & Rasheed, A. A. (2004). The moderating effect of environmental munificence and dynamism on the relationship between discretionary social responsibility and firm performance. *Journal of Business Ethics*, 49, 41-54.

- Gond, J.-P., & Palazzo, G. (2008, August). The social construction of the positive link between corporate social and financial performance. *Academy of Management Proceedings*.
- Grewal, R., Cote, J. A., & Baumgartner, H. (2004). Multicollinearity and measurement error in structural equation models: Implications for theory testing. *Marketing Science*, 23, 519-529.
- Griffin, J. J., & Mahon, J. F. (1997). The corporate social performance and corporate financial performance debate: Twenty-five years of incomparable research. *Business & Society*, 36, 5-31.
- Harrison, J. S., Bosse, D. A., & Phillips, R. A. (2010). Managing for stakeholders, stakeholder utility functions, and competitive advantage. *Strategic Management Journal*, 31, 58-74.
- Harrison, J. S., & John, C. H. S. (1996). Managing and partnering with external stakeholders. *Academy of Management Executive*, 10(2), 46-60.
- Harzing, A. (1997). Response rates in international mail surveys: Results of a 22-country study. *International Business Review*, 6, 641-665.
- Hatch, M. J., & Cuncliffe, A. L. (2006). *Organization theory: Modern, symbolic and postmodern perspectives*. New York, NY: Oxford University Press.
- Henriques, I., & Sadosky, P. (1999). The relationship between environmental commitment and managerial perceptions of stakeholder importance. *Academy of Management Journal*, 42, 87-99.
- Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least squares path modeling in international marketing. *Advances in international marketing*, 20, 277-319.
- Hillman, A. J., & Keim, G. D. (2001). Shareholder value, stakeholder management, and social issues: What's the bottom line? *Strategic Management Journal*, 22, 125-139.
- Holzer, B. (2008). Turning stakeholders into stakeholders: A political coalition perspective on the politics of stakeholder influence. *Business & Society*, 47, 50-67.
- Homburg, C., & Pflesser, C. (2000). A multilevel-layer model of market-oriented organizational culture: Measurement issues and performance outcomes. *Journal of Marketing Research*, 37, 449-462.
- Homburg, C., Workman, J. P. J., & Jensen, O. (2002). A configurational perspective on key account management. *Journal of Marketing*, 66(2), 38-60.
- Hull, C. E., & Rothenberg, S. (2008). Firm performance: The interaction of corporate social performance with innovation and industry differentiation. *Strategic Management Journal*, 29, 781-789.
- Hult, G. T. M., Ketchen, D. J., & Arrfelt, M. (2007). Strategic supply chain management: Improving performance through a culture of competitiveness and knowledge development. *Strategic Management Journal*, 28, 1035-1052.
- Jarvis, C. B., MacKenzie, S. B., & Podsakoff, P. M. (2003). A critical review of construct indicators and measurement model misspecification in marketing and consumer research. *Journal of Consumer Research*, 30, 199-218.

- Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: Antecedents and consequences. *Journal of Marketing*, 57(3), 53-70.
- Jones, T. M. (1995). Instrumental stakeholder theory: A synthesis of ethics and economics. *Academy of Management Review*, 20, 404-437.
- Judge, W. Q. J. (1994). Correlates of organizational effectiveness: A multilevel analysis of a multidimensional outcome. *Journal of Business Ethics*, 13, 1-10.
- Kacperczyk, A. (2009). With greater power comes greater responsibility? Takeover protection and corporate attention to stakeholders. *Strategic Management Journal*, 30, 261-285.
- Kassinis, G., & Vafeas, N. (2006). Stakeholder pressures and environmental performance. *Academy of Management Journal*, 49, 145-159.
- Kessler, E. H., & Chakrabarti, A. K. (1996). Innovation speed: A conceptual model of context, antecedents, and outcomes. *Academy of Management Review*, 21, 1143-1191.
- Kumar, N., Stern, L. W., & Anderson, J. C. (1993). Conducting interorganizational research using key informants. *Academy of Management Journal*, 36, 1633-1651.
- Küskü, F., & Zarkada-Fraser, A. (2004). An empirical investigation of corporate citizenship in Australia and Turkey. *British Journal of Management*, 15, 57-72.
- Lee, M.-D. P. (2008). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10(1), 53-73.
- Lehman, S. (2009, July 22). *Nike won't use leather from Amazon-bred cattle*. Retrieved from http://seattletimes.com/html/localnews/2009519283_apltbra-zilamazonnike1stldwritethru.html
- Liang, H., Saraf, N., Qing, H., & Yajiong, X. (2007). Assimilation of enterprise systems: The effect of institutional pressures and the mediating role of top management. *MIS Quarterly*, 31(1), 59-87.
- Lichtenthaler, U. (2009). Absorptive capacity, environmental turbulence, and the complementarity of organizational learning processes. *Academy of Management Journal*, 52, 822-846.
- Lindell, M. K., & Whitney, D. J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86, 114-121.
- Lindgreen, A., Swaen, V., & Maon, F. (2009). Introduction: Corporate social responsibility implementation. *Journal of Business Ethics*, 85, 251-256.
- Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16, 429-451.
- Maignan, I., & Ferrell, O. C. (2000). Measuring corporate citizenship in two countries: The case of the United States and France. *Journal of Business Ethics*, 23, 283-297.
- Maignan, I., & Ferrell, O. C. (2001). Antecedents and benefits of corporate citizenship: An investigation of French businesses. *Journal of Business Research*, 51, 37-51.

- Maignan, I., & Ferrell, O. C. (2004). Corporate social responsibility and marketing: An integrative framework. *Journal of the Academy of Marketing Science*, 32, 3-19.
- Maignan, I., Ferrell, O. C., & Hult, G. T. M. (1999). Corporate citizenship: Cultural antecedents and business benefits. *Journal of the Academy of Marketing Science*, 27, 456-469.
- Malhotra, N. K., Kim, S. S., & Patil, A. (2006). Common method variance in IS research: A comparison of alternative approaches and a reanalysis of past research. *Management Science*, 52, 1865-1883.
- Maltz, E., & Kohli, A. K. (1996). Market intelligence dissemination across functional boundaries. *Journal of Marketing Research*, 33, 47-61.
- Margolis, J. D., & Walsh, J. P. (2001). *People and profits? The search for a link between a company's social and financial performance*. Mahwah, NJ: Lawrence Erlbaum.
- Marquis, C., Glynn, M. A., & Davis, G. F. (2007). Community isomorphism and corporate social action. *Academy of Management Review*, 32, 925-945.
- Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, 33, 404-424.
- Mattingly, J. E., & Berman, S. L. (2006). Measurement of corporate social action. *Business & Society*, 45, 20-46.
- McCombs, M. E., & Shaw, D. (1972). The agenda-setting function of mass media. *Public Opinion Quarterly*, 36, 176-187.
- McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26, 117-127.
- Menon, A., Bharadwaj, S. G., & Howell, R. (1996). The quality and effectiveness of marketing strategy: Effects of functional and dysfunctional conflict in intra-organizational relationships. *Journal of the Academy of Marketing Science*, 24, 299-313.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22, 853-886.
- Mohr, L. A., Webb, D. J., & Harris, K. E. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior. *Journal of Consumer Affairs*, 35(1), 45-72.
- Murillo-Luna, J. L., Garcés-Ayerbe, C., & Rivera-Torres, P. (2008). Why do patterns of environmental response differ? A stakeholders' pressure approach. *Strategic Management Journal*, 29, 1225-1240.
- Murray, K. B., & Vogel, C. M. (1997). Using a hierarchy of effects approach to gauge the effectiveness of CSR to generate goodwill towards the firm: Financial versus nonfinancial impacts. *Journal of Business Research*, 38, 141-159.
- Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York, NY: McGraw-Hill.
- Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16, 145-179.

- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24, 403-441.
- Palazzo, G., & Scherer, A. G. (2008). Corporate social responsibility, democracy, and the politicization of the corporation. *Academy of Management Review*, 33, 773-775.
- Pavlou, P., Liang, H., & Xue, Y. (2007). Understanding and mitigating uncertainty in online exchange relationships: A principal-agent-perspective. *MIS Quarterly*, 31(1), 105-136.
- Pennings, J. M. (1975). The relevance of the structural-contingency model for organizational effectiveness. *Administrative Science Quarterly*, 20, 393-410.
- Pfeffer, J. (1982). *Organizations and organizational theory*. Marshfield, MA: Pitman.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88, 879-903.
- Podsakoff, P. M., & Organ, D. W. (1986). Self-reports in organizational research: Problems and prospects. *Journal of Management*, 12, 531-544.
- Rasheed, A. M. A., & Prescott, J. E. (1992). Towards an objective classification scheme for organizational task environments. *British Journal of Management*, 3, 197-206.
- Ringle, C. M., Wende, S., & Will, A. (2005). SmartPLS 2.0 (beta). Retrieved from <http://www.smartpls.de>
- Roman, R. M., Hayibor, S., & Agle, B. R. (1999). The relationship between social and financial performance: Repainting a portrait. *Business & Society*, 38, 109-125.
- Schepers, D. H. (2006). The impact of NGO network conflict on the corporate social responsibility strategies of multinational corporations. *Business & Society*, 45, 282-299.
- Schwartz, M. S., & Carroll, A. B. (2008). Integrating and unifying competing and complementary frameworks. *Business & Society*, 47, 148-186.
- Seifert, B., Morris, S. A., & Bartkus, B. R. (2004). Having, giving, and getting: Slack resources, corporate philanthropy, and firm financial performance. *Business & Society*, 43, 135-161.
- Seltn, N., & Keeses, J. (1994). Path analysis with latent variables. In T. P. T. Husen (Ed.), *International encyclopedia of education* (2nd ed., pp. 4352-4359). Oxford, UK: Pergamon.
- Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 38, 225-243.
- Sen, S., Bhattacharya, C. B., & Korschun, D. (2006). The role of corporate social responsibility in strengthening multiple stakeholder relationships: A field experiment. *Journal of the Academy of Marketing Science*, 34, 158-166.
- Slater, S. F., & Narver, J. C. (1994). Does competitive environment moderate the market orientation-performance relationship? *Journal of Marketing*, 58(1), 46-55.
- Spector, P. E. (2006). Method variance in organizational research: Truth or urban legend? *Organizational research methods*, 9, 221-232.

- Spence, L. J., Coles, A., & Harris, L. (2001). The forgotten stakeholder? Ethics and social responsibility in relation to competitors. *Business and Society Review*, 106, 331-352.
- Surroca, J., Tribó, J. A., & Waddock, S. (2010). Corporate responsibility and financial performance: The role of intangible resources. *Strategic Management Journal*, 31, 463-490.
- Swanson, D. L. (1995). Addressing a theoretical problem by reorienting the corporate social performance model. *Academy of Management Review*, 20, 43-64.
- Ullmann, A. A. (1985). Data in search of a theory: A critical examination of the relationship among social performance, social disclosure, and economic performance. *Academy of Management Review*, 10, 540-547.
- Venkatraman, N., & Ramanujam, V. (1986). Measurement of business performance in strategy research: A comparison of approaches. *Academy of Management Review*, 11, 801-814.
- Vlachos, P., Tsamakos, A., Vrechopoulos, A., & Avramidis, P. K. (2009). Corporate social responsibility: Attributions, loyalty, and the mediating role of trust. *Journal of the Academy of Marketing Science*, 37, 170-180.
- Waddock, S. A., & Graves, S. B. (1997). The corporate social performance-financial performance link. *Strategic Management Journal*, 18, 303-319.
- Wen, S. (2009). Institutional investor activism on socially responsible investment: Effects and expectations. *Business Ethics: A European Review*, 18, 308-333.
- Wold, H. (1980). Model construction and evaluation when theoretical knowledge is scarce: Theory and application of PLS. In J. Kmenta (Ed.), *Evaluation of econometric models* (pp. 47-74). New York, NY: Academic Press.
- Yau, O. H. M., Chow, R. P. M., Sin, L. Y. M., Tse, A. C. B., Luk, C. L., & Lee, J. S. Y. (2007). Developing a scale for stakeholder orientation. *European Journal of Marketing*, 41, 1306-1327.